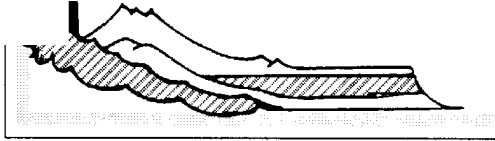


CHAPTER 5

Performance Appraisal, Awards and Employee Benefits

HUMAN RESOURCES MANUAL



**APPRAISING GENERAL SCHEDULE
AND
FEDERAL WAGE SYSTEM EMPLOYEES**

PERFORMANCE MANAGEMENT SYSTEM

1. **PURPOSE.** In the Department of the Navy, performance management is used to involve employees, as Individuals and as members of a group, in improving organizational effectiveness. To achieve this objective, the Performance management system is designed to integrate management processes that:
 - a. Communicate and clarify mission and organization goals and objectives;
 - b. Identify employee, team, and managerial accountability for the accomplishment of goals and Objectives;
 - c. Involve employees in improving organizational effectiveness and in assessing employee, team, and Organizational effectiveness and performance;
 - d. Uses appropriate measures of performance to recognize and reward employees and use the results of performance appraisals as a basis for appropriate personnel actions;
 - e. Involve employees and their representatives in program development and implementation; and
 - f. Encourage employees to take responsibility to continuously improve, support team endeavors, develop professionally, and perform at their potential.
2. **PERFORMANCE APPRAISAL SYSTEM.** All performance management programs used within the Department of the Navy will be two-level summary rating programs, which appraise an employee's performance as being at either the "Acceptable" or "Unacceptable" level. The programs will also provide for a minimum 90 day appraisal period.
3. **COVERAGE.** The performance management system covers all General Schedule (GS) employees in grades 1 through 15 and all Federal Wage System (WG) employees. Part time and intermittent employees serving on appointments of 120 days or more are also covered.
4. **DESCRIPTION.** Appendix 5A is the cover sheet for all performance appraisals. Appendix 5B is a critical element for all employees, both supervisory and non-supervisory. Appendix 5C is applicable to supervisors and managers. Certain types of positions have additional performance evaluation requirements. These are listed in Appendix 5D.
5. **DEFINITIONS.**
 - a. "Acceptable" Performance. Performance of an employee which meets the established performance requirements or standards at a level above "Unacceptable", in all critical elements of an employee's position.
 - b. Appraisal. The process under which performance is reviewed and evaluated against the described performance standards.
 - c. Appraisal Period. An annual rating cycle for which an employee's performance is evaluated. The minimum appraisal period is 90 days.
 - d. Appraisal Program. The specific procedures and requirements established within the policies and parameters of the DOD Performance Appraisal System.
 - e. Award. Recognition for individual or team achievement that contributes to meeting organizational goals or improving the efficiency, effectiveness, and economy of the government or which is otherwise in the public

interest.

f. Close-out Rating. A written summary rating conducted when an employee or first level supervisor leaves a position after the employee has been under established performance standards for 90 days or more, but before the end of the appraisal cycle. Close-out ratings may serve as the annual rating of record in some cases.

g. Critical Element. A component of a performance plan of such importance that “Unacceptable” performance on the element would result in a determination that an employee’s overall performance is “Unacceptable”.

h. Interim Appraisal. Any progress review or training appraisal conducted throughout the annual performance appraisal period.

i. Performance Plan. All of the elements that describe the expected performance of an individual employee. A plan must include all critical elements and their related performance standards.

j. Performance Rating. The result of a comparison between actual performance and the performance standards for each critical element on which there has been an opportunity to perform for the minimum period.

k. Performance Standard. The management approved expression of the performance thresholds, requirements, or expectations that must be met to be appraised at a particular level of performance.

l. Progress Review. Conducted at the midpoint of the appraisal cycle. Supervisors will communicate with the employee about performance compared to the performance standards. Both the supervisor and employee sign the performance appraisal plan to certify the progress review was completed.

m. Rating of Record. An annual summary rating required at the end of the appraisal cycle. The rating of record is based on an employee serving at least 90 calendar days in the same position under an established performance plan. The rating of record is the official rating. It can include a close-out rating and any special rating needed to support a within-grade increase decision.

n. Summary Rating. The overall rating assigned, either “Acceptable” or “Unacceptable”.

o. “Unacceptable” Performance. Performance of an employee which fails to meet established performance standards in one or more critical elements.

6. PERFORMANCE APPRAISAL PROCESS.

a. Establishing the Performance Plan. Each covered employee must have a performance plan established based on work assignments and responsibilities. An individual employee performance plan must be established using the applicable appraisal form. The steps involved in establishing an employee performance plan are as follows:

(1) Certify Position Description Accuracy. This is done in the applicable block of the performance appraisal form.

(2) Communicate the Performance Plan to the Employee. Supervisors will communicate performance expectations to employees and provide a copy of their written performance plans within 30 days after the beginning of the appraisal cycle or appointment to the position. Upon receipt, the employee will sign and date the plan. The employee’s signature does not indicate agreement with the plan, but merely signifies that the employee received it. The original performance plan is retained by the supervisor for use in tracking employee performance throughout the appraisal cycle.

b. Interim Appraisals. Interim appraisals (includes progress reviews, close-out ratings, and within-grade determinations) are conducted throughout the performance cycle and are considered when assigning the annual rating of record. Interim appraisals include:

(1) Progress Reviews. This review is a required review of an employee's progress toward achieving the levels of performance described in the performance standards. At least one progress review must be conducted approximately midway through the appraisal period or at any time an employee's performance falls below the "Acceptable" level on one or more elements, or the supervisor determines the employee's performance needs improvement. The employee must be informed of performance by comparison to the elements and standards. The employee and the appraising official will sign the appraisal form. The employee's signature does not imply agreement, but merely that the discussion has taken place.

(2) Close-out Ratings. A close-out rating is a written summary rating conducted when an employee or supervisor leaves a position after the employee has been under a performance plan and has served under the same supervisor for at least 90 days. Close-out ratings are completed by filling out the appraisal form, marking the form "Close-out", and communicating the rating to the employee. The employee and rater must sign the close-out rating. If an employee's rating is "Unacceptable", the rating must also be signed by the reviewer. Close-out ratings are required as follows:

(a) **The First Level Supervisor Leaves the Position After the Employee is under Established Standards a Minimum of 90 Days.** The departing supervisor provides the reporting supervisor with the close-out rating. The reporting supervisor shall establish new performance plans for the employees. The close-out rating shall be considered by the reporting supervisor when assigning a rating of record at the end of the rating cycle. The "close-out rating" is to be attached to the final rating and forwarded to the Human Resource Service Center at the end of the performance cycle.

(b) **An Employee Changes Position After Being Under Established Standards a Minimum of 90 Days.** If the employee remains within the same activity, the close-out rating is forwarded by the employee's present supervisor to the employee's new supervisor. If the employee leaves the activity, the close-out rating is forwarded to the Human Resource Service Center for retention.

(c) **An Employee Completes a Detail or Temporary Promotion of 120 Days or Longer Under an Established Performance Plan.** The close-out rating is conducted by the supervisor of the detail or temporary promotion. The close-out rating is retained by the supervisor of the employee's regularly-assigned position.

(3) Within-grade Increase (WGI) Determinations. When a WGI is due and management's decision to grant or deny the increase is not supported by the most recent rating of record, then a current rating must be completed.

d. Rating of Record. To receive a rating of record, the employee must have served a minimum of 90 days under an approved performance plan. The rating of record is based on the ratings on all the individual elements. Any comments included on the performance plan should not cover issues such as counseling related to conduct or medical problems, unless the issue impacts employee performance. A written rating of record must be completed within 30 days following the end of the appraisal cycle.

(1) Rating Employees With Less Than 90 Calendar Days Under an Approved Performance Plan. Employees who have been under an established performance plan for 60–89 calendar days before the end of the appraisal cycle must have their rating deferred for up to 30 days beyond the end of the cycle. Employees on a performance plan for less than 60 days before the end of the cycle will not be rated, but will have their rating deferred until the end of the next cycle.

(2) Impact of Close-out Ratings on the Rating of Record. Close-out ratings shall be considered by the supervisor when assigning a rating of record at the end of the rating cycle. Factors such as length of time in the job, relationship to the current line and level of work, and significance of work accomplishment will determine the degree of impact of the close-out rating on the rating of record assigned the employee at the end of the rating cycle. A close-out rating may become an employee's rating of record if all the following criteria are met:

(a) There is insufficient time (less than 90 days) to establish a new performance plan and rate the covered employee in their assigned position before the end of the appraisal period.

(b) The rater takes into consideration all other close-out ratings conducted during the appraisal period.

(3) Communicating Ratings of Record. The rater will communicate to employees their rating of record. The performance plan must be signed and dated by the employee after the rater has assigned the rating and communicated it to the employee. The employee's signature does not certify agreement with the rating, but only that the rating of record has been communicated. The original rating of record must be sent to the Human Resource Service Center for retention. The supervisor will provide the employee a copy of the rating of record after the close of the rating cycle.

e. "Unacceptable" Performance. At any time during the appraisal period that performance is determined to be "Unacceptable" in one or more critical elements, employees are to be formally notified in writing. The notice of unacceptable performance must include:

(1) The critical element(s) determined to be unacceptable;

(2) Specific performance requirement(s) and "Acceptable" standard(s) that must be attained to demonstrate acceptable performance;

(3) A reasonable opportunity to demonstrate acceptable performance;

(4) Assistance in improving performance which may include, but is not limited to, formal training, on-the-job training, counseling and coaching, close supervision or other appropriate measures;

(5) Notice to the employee that unless performance in the critical element(s) improves to and is sustained at the acceptable level, the employee may be reassigned, demoted or removed.

(6) A rating of record of "Unacceptable" may not be assigned until the above requirement has been met. If at conclusion of the opportunity period, the employee's performance continues to be "Unacceptable", the activity may initiate reassignment, demotion or removal.

(7) A rating of record of "Unacceptable" shall be reviewed and approved by a higher level management official before being communicated to the employee.

7. RELATIONSHIP TO OTHER PERSONNEL ACTIONS.

a. Promotions. To receive a career ladder promotion, an employee must be performing at the "Acceptable" level on all critical elements. The rating of record will be used in merit staffing evaluations.

b. Probationary Period. Performance is a factor in the decision to retain or remove an employee during an initial or supervisory probationary period.

c. Reassignment, Removal and Demotion. Employees whose performance is "Unacceptable" on one or more critical elements of their performance plans may be removed, reassigned, or reduced in grade.

d. Within-grade Increase (WGI). Employees whose most recent rating of record is "Acceptable" will receive a WGI when eligible. If management determines that the employee's performance has fallen below "Acceptable" but the most recent rating of record is "Acceptable", a new rating must be completed to support the WGI denial. When an employee's most recent rating is "Unacceptable" but performance has improved to the "Acceptable" level, a special rating must be done to support granting the WGI. See Within-grade Increase Denial section in Chapter 4 for more information. The new rating must be forwarded to the Human Resource Service Center for retention in the employee's Official Personnel Folder.

e. Reduction-in-Force. The three most recent ratings of record and special ratings for WGI determinations received in the last four years are factors in determining retention standing for RIF purposes.

Additional service credit is given for each “Acceptable” summary rating. No rating may be assigned for the purpose of affecting an employee’s RIF retention standing.

8. PERFORMANCE RECOGNITION.

a. Awards are tools to acknowledge, motivate, and reward significant individual, team, or organizational achievements or contributions, and are an integral part of performance management. Criteria established for granting awards will be consistent with the Department of the Navy’s EEO policies and will not discriminate against individuals on the basis of race, color, religion, age, sex, national origin, or disability.

b. Supervisors are encouraged to recognize high performers at any time during the rating cycle using Special Act, On-the-Spot, time-off, honorary, and informal recognition awards.

c. Activities may recognize performance based on an “Acceptable” rating of record issued at the end of the performance cycle. Performance based cash awards may be determined using a percentage of basic pay. Awards granted as a percentage of basic pay may not exceed ten percent of the employee’s annual rate of basic pay without approval by the major claimant and/or Secretary of the Navy, as appropriate.

d. **Quality Step Increase.**

(1) The purpose of Quality Step Increases (QSI) is to provide appropriate incentives and recognition for excellence in performance by granting faster than normal step increases. Federal Wage System employees are not eligible for QSIs. A General Schedule (GS) employee is eligible for only one quality step increase within any 52 week period, and must meet the following criteria required by 5 CFR 531.504(b)(2):

(a) Received a rating of record of “Acceptable”;

(b) Demonstrated sustained performance of high quality significantly above that expected at the “Acceptable” level (i.e., exceeded the “Acceptable” criteria depicting unusually good or excellent quality or high quantity of work provided ahead of schedule and with less than normal supervision); and

(c) Made a significant contribution to the organization’s mission; and

(d) There must be an expectation that the high quality performance will continue in the future.

(2) **Nomination Procedures.** Supervisors may nominate employees for QSIs via their chain of command. When possible, the QSI will be effective no later than 90 days after the end of the appraisal cycle, consistent with the 52 week waiting period requirement discussed above. **The granting of a QSI does not affect the due date of the regular within-grade increase unless the QSI would place the employee in the fourth or seventh step of the pay plan.**

(3) **Impact on Activity Budget.** Quality Step Increases may affect payroll expenses for many years. Therefore, long range costs should be carefully considered before a QSI is granted.

9. RESPONSIBILITIES.

a. **Activity Heads** are expected to establish activity organizational goals and objectives and ensure covered employees are evaluated on their performance on an annual basis.

b. **Department/staff heads** will ensure the original ratings of record are forwarded to the Human Resources Service Center.

c. **First level supervisors** will:

(1) Develop a performance plan for each covered employee.

(2) Provide employees with a copy of their approved performance plan within 30 calendar days after the beginning of the appraisal cycle.

(3) Prepare close-out ratings when appropriate.

(4) Conduct a documented progress review at the mid-point of the appraisal cycle. Conduct additional reviews if performance falls below the “Acceptable” level, a within-grade increase determination is to be made, or the employee’s performance needs significant improvement. Progress reviews should be informative and developmental in nature.

(5) Prepare a rating of record for each covered employee. This includes a rating for each element and the assignment of a summary level of either “Acceptable” or “Unacceptable”.

(6) Provide a copy of the rating of record to each employee.

(7) Provide assistance and counseling to employees whose performance in one or more critical elements falls below the “Acceptable” level at any time during the performance cycle.

(8) Start corrective action when an employee’s performance falls to the “Unacceptable” level.

(9) Recommend employees for awards as appropriate.

c. **Employees** are expected to:

(1) Participate in the establishment of their performance plan.

(2) Participate in progress reviews.

(3) Provide input on their performance accomplishments at the end of the appraisal cycle and participate in the final appraisal discussion.

**APPENDIX 5A
PERFORMANCE PLAN APPRAISAL**

1. Name (Last First)	2. Rating Period
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3. Position (Title Series Grade)	4. Organization/Code	5. PD Current and Accurate: Yes_____ No_____
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6. RECORD OF PLAN ESTABLISHMENT, REVIEW(S) AND FINAL APPRAISAL	
Performance Plan Established:	
_____ <i>Rater Signature and Date</i>	_____ <i>Employee Signature and Date</i>
Progress Review:	
_____ <i>Rater Signature and Date</i>	_____ <i>Employee Signature and Date</i>
Final Appraisal:	
_____ <i>Rater Signature and Date</i>	_____ <i>Employee Signature and Date</i>

☐

ACCEPTABLE

☐

UNACCEPTABLE

(NOTE: If the Rating of Record is “Unacceptable”, Reviewer signature (2nd Level Supervisor) is required.

Reviewer Signature and Date: _____

Comments:

**APPENDIX 5B
CRITICAL ELEMENTS**

ORGANIZATIONAL SUPPORT AND COMMUNICATIONS: The employee has a basic understanding of organizational goals and priorities. Fully complies with administrative policies, regulations, and procedures when performing job operations. Communicates orally and/or in writing when needed to coordinate work and keep supervisor and co-workers informed of work-related issues, their development and their status.

_____ **ACCEPTABLE**

Demonstrates a basic understanding of organizational goals and priorities and fully complies with administrative policies, regulations, and procedures when performing job operations. Communicates orally and/or in writing when needed to coordinate work and keep supervisor and co-workers informed of work related issues, their developments and their status.

_____ **UNACCEPTABLE**

Actions reflect a lack of understanding of the organization's goals and priorities. Fails to comply with administrative policies, regulations, and procedures when performing job operations, resulting in inefficient performance of job operations. Does not communicate effectively orally or in writing when necessary to coordinate with supervisor and co-workers and to accomplish the task at hand.

EXECUTION OF DUTIES: In performing the work of the unit, the employee accepts the work to be accomplished, properly follows instructions, uses the technical knowledge and applies the skill(s) needed to complete tasks assigned. The service or work product produced is of good quality, timely, and responsive to the supervisor and the organization's priorities and requirements.

_____ **ACCEPTABLE**

Willingly accepts work assignments, properly follows instructions uses technical knowledge, and applies skills needed to produce a product or service of good quality in a timely and responsive manner.

_____ **UNACCEPTABLE**

Hesitates in accepting the work assignments, fails to follow instructions, and does not properly apply the technical knowledge/skills required to complete tasks. The service or product produced is of poor quality and/or untimely.

APPENDIX 5C
SUPERVISORY CRITICAL ELEMENTS

SUPERVISION: Advises and recommends to appropriate management officials the proper staffing of work unit and appropriate classification of positions. Selects, places, and develops employees. Delegates, assigns, monitors and evaluates work in an equitable and effective manner. Provides technical guidance to subordinate staff in a timely manner. Manages performance through appropriate rewards and corrective action. Corrects performance and conduct problems promptly and within regulatory guidelines. Ensures staff is properly trained. Work is accomplished within budget and resources allotted. Complies with internal control, integrity and efficiency programs. Assures work is completed per applicable QA standards. Takes corrective action on deficiencies identified during internal/external audits/inspections.

_____ ACCEPTABLE

Delegates work at an evenly distributed volume commensurate with grade level. Tells employees what is expected, advises them of necessary changes as job progresses and holds them responsible for timely completion of work assignments. Ensures position descriptions of subordinates are current and adequately reflect the duties and responsibilities assigned to the employee. Appraises staff performance accurately within required time frames. Uses established procedures for rewarding employee performance and taking corrective actions on poor performance. Gives technical advice as required and reviews work promptly. Ensures staff is properly trained in their functional areas. Uses established position management principles and techniques which result in an efficiently organized and productive staff. Work is accomplished within budget and resources allotted. Implements a system of internal controls which ensures program integrity and prevents fraud, waste and abuse.

_____ UNACCEPTABLE

Assigns responsibilities without assuring sufficient authority or resources exists to carry them out. Does not provide staff with periodic assessment of performance. Ignores necessary liaison between staff and higher management. Does not make appropriate use of delegated authorities. Does not appraise employees accurately within required time frames. Does not use appropriate regulations or take corrective actions. Makes ineffectual use of training resources. Poor position management techniques result in inefficient organization structure. Work is not accomplished within budget and resources allotted. Does not comply with internal controls, integrity and efficiency, and safety programs.

EQUAL EMPLOYMENT OPPORTUNITY: The Supervisor/Manager is responsible to promote the EEO program by supporting EEO Goals and objectives, eliminating discrimination and ensuring a balanced workforce.

_____ **ACCEPTABLE**

Participates in the achievement of EEO goals and objectives; e.g. informs, briefs and trains subordinate staff on EEO goals/objectives and sexual harassment guidelines, demonstrates personal support of same, participates and encourages staff participation in EEO special emphasis events (workload permitting). Eliminates discriminatory behavior and sexual harassment in subordinate work force, assist in resolving discrimination complaints. Analyses subordinate work force, develops plans and achieve goals to improve representative work force.

_____ **UNACCEPTABLE**

Actions reflect a lack of understanding of the organization's EEO goals and objectives. Fails to positively influence achievement of EEO goals/objectives within subordinate work force. Does not take action to eliminate discriminatory behavior or sexual harassment within the workplace. Does not utilize opportunities to achieve a balanced workforce.

OCCUPATIONAL SAFETY AND HEALTH: The Supervisor/Manager is responsible for ensuring a safe and healthful work environment for subordinates and customers in accordance with OSHA, DOD, DON safety and health regulations.

_____ **ACCEPTABLE**

Ensures a safe and healthful work environment for subordinate employees, complies with applicable safety and health regulations, enforces the use of personal protective equipment such as respirators, hard hats, hearing and sight protection and safety shoes, participates in safety inspections and takes prompt action to correct or ameliorate safety deficiencies, promptly completes required reports and training.

_____ **UNACCEPTABLE**

Fails to comply with safety and health regulations and permits unsafe work practices in violation of such regulations, does not enforce the use of personal protective equipment by subordinate work force. Does not take or follow up on corrective actions to eliminate safety deficiencies. Regularly does not complete required training and reports.

APPENDIX 5D

ADDITIONAL PERFORMANCE REQUIREMENTS

1. **PURPOSE.** Specific provisions of law, regulation, and DOD policy require certain matters to be considered in the performance evaluations of some employees. Except as provided below, this does not require the establishment of specific performance elements and standards addressing the individual's performance. Rating officials may just consider these requirements in the performance rating or provide narrative evaluations of progress in meeting these requirements (e.g., in a statement on an appraisal form reserved for remarks).

2. DOD PERFORMANCE EVALUATION REQUIREMENTS.

a. **Audit Follow-Up.** Performance evaluations of appropriate managers must reflect the degree of effectiveness in addressing audit findings and recommendations and implementing agreed-upon corrective actions as required by Office of Management and Budget (OMB) Circular A-50, "Audit Follow-Up", September 29, 1982. This requirement applies to audits conducted by the General Accounting Office (GAO) and the DOD Inspector General. This requirement is established in paragraph E.3.g. of DOD Directive 7650.3, "Follow-Up on General Accounting Office, DOD Inspector General, Internal Audit, and Internal Review Reports," September 5, 1989.

b. **Protecting Classified Information.** Performance evaluations of all employees whose duties involve access to classified information must include a comment by rating officials pertaining to an employee's discharge of security responsibilities. This requirement is established in paragraph 9-102(d) of DOD 5200.2-R, "Personnel Security Program," January 1987.

c. **Internal Management Control.** Performance evaluations of managers who have significant Internal Management Control (IMC) responsibilities must reflect the accountability for the success or failure of IMC practices. This requirement is established in paragraph E.3.d. of DOD Directive 5101.39, "Internal Management Control Program," April 14, 1987.

d. **Equal Employment Opportunity (EEO).** Performance evaluations of supervisors, managers, and other personnel with EEO responsibility must have a critical element on EEO. This requirement is established in paragraph E.2.f. of DOD Directive 1440.1, "The DOD Equal Employment Opportunity (EEO) Program," May 21, 1987.

e. **Inventory Management.** Performance evaluations of individuals employed at Inventory Control Points must give appropriate consideration to efforts made by these individuals to eliminate wasteful practices and achieve cost savings in the acquisition and management of inventory items. This requirement is established in section 2458 of Title 10, United States Code.

f. **Acquisitions.** Persons serving in acquisition positions in the same acquisition career field must be provided an opportunity for review and inclusion of any comments on any appraisal of the performance of a person serving in an acquisition position. This requirement is established in paragraph D.19 of DOD Directive 5000.52, "Defense Acquisition Education, Training, and Career Development Program," October 25, 1991.

g. **Regulatory Reinvention.** Performance measurements of persons who are front-line regulators, i.e., those who have authority to order corrective action or levy a fine on a business or other government entity, must focus on results, not process and punishment. Therefore, such measures should not be based on process (e.g., number of visits to a business or government entity) or punishment (e.g., number of violations found, number of fines levied on a business or government entity). This requirement is established by a Presidential Memorandum for heads of Federal departments and agencies, "Regulatory Reinvention Initiative," March 4, 1995.

h. **Classified Information Management.** The performance ratings of civilian employees who are original classification authorities, security managers or security specialists, or significantly involved in the creation or handling of classified information must include the management of classified information as a critical element or item to be evaluated. This requirement is established in section 5.6.(c)(7) of Executive Order 12958, "Classified National Security Information," April 17, 1995.

i. Safety. Responsible DOD officials at each management level, including first level supervisors, must to the extent of their authority, comply with the DOD Occupational Safety and Health program guidance and regulations. Performance evaluations of those employees must reflect personal accountability in this respect, consistent with the duties of the position, with appropriate recognition of superior performance, and conversely, with corrective administrative action, as appropriate, for deficient performance. This requirement is established in enclosure 2 to DOD Instruction 6055.1, "DOD Occupational Safety and Health Program," October 16, 1984.

j. Increased Competition and Cost Savings in Contracts. Performance evaluations of officials involved in contracting and acquisition must give appropriate recognition to efforts to increase competition and achieve cost savings. This requirement is established in section 2317 of Title 10, United States Code.

INCENTIVE AWARDS PROGRAM

NOTE: This section is divided into two parts. The first part discusses monetary and honorary awards. Part two provides guidelines on the Beneficial Suggestion Program.

PART I - MONETARY AND HONORARY AWARDS

1. PURPOSE. The purpose of the Incentive Award Program is to promote productivity by recognizing and rewarding individual employees, and groups of employees, for contributions above and beyond the expected job performance. Awards may be monetary or honorary. Types of recognition based solely on a performance appraisal are discussed in this chapter.

2. APPROVAL AUTHORITY. Activity heads have the authority to approve individual cash awards up to \$5,000, group awards up to \$10,000 and Meritorious Civilian Service Awards. Type Commanders may approve individual cash awards up to \$7,500, group awards up to \$10,000, and Meritorious and Superior Civilian Service Awards. The activity heads have delegated their authority to approve incentive awards to Activity Head Designees as listed in Appendix 5E.

3. TYPES OF AWARDS.

a. **Special Act Award** is used to recognize a group or individual effort which goes beyond expected job performance and to recognize exemplary work efforts. Examples include overcoming unusual difficulties; performance of assigned duties with special effort or special innovation that results in significant increase in productivity, economy, or other highly desirable benefits; and exemplary or courageous handling of an emergency situation related to official employment. The elimination of fraud, waste, and abuse is another example of an effort which could be recognized with a Special Act Award. This award is in addition to Performance Awards which recognize employee performance during the entire performance appraisal year and are based on the annual rating of record. The award amount is based on tangible or intangible benefits or a combination of the two.

(1) **Nomination Procedures.** Supervisors may recommend employees for Special Act Awards by completing Recommendation for Special Act or Service Award form (Appendix 5F), including a short narrative description of the achievement. The recommendation should be submitted within 60 days after the act which warrants recognition. If the Special Act is submitted in conjunction with other end-of-cycle performance awards, an SF-52, Request for Personnel Action form is not required. If the Special Act is submitted outside the end-of-cycle performance awards, an SF-52, Request for Personnel Action form must be submitted with the recommendation form.

b. **On-the-Spot Awards.** Supervisors and employees are faced with ever-increased workload demands due to changing priorities, technological breakthroughs and generally a need to get more done with less. Employees often aid in these efforts by taking on extra projects or proposing new ideas which result in an immediate benefit to the office's or shop's ability to get the job done. To recognize an extra work effort made by an employee, activities are authorized to approve an

On-the-Spot Award. More than one employee may be recognized for similar work, but each must be submitted individually, not as a group.

(1) **Nomination Procedures.** Documentation requirements are minimal. A brief, specific statement of achievement (as little as one or two sentences) attached to a SF-52, Request for Personnel Action (be sure to fill in the Award amount in Block 20) signed by the Activity Head Designee is all that is needed. An On-the-Spot Award range is limited to \$25 - \$250 per award. There is no limit to the number of On-the-Spot Awards an individual may receive in any given period. In addition, the receipt of an On-the-Spot Award does not preclude an employee from receiving other forms of honorary or monetary recognition. Although an On-the-Spot Award implies immediate recognition and receipt of an award check, servicing payroll offices treat these awards as they do other awards. Checks for On-the-Spot Awards are processed within the pay period after receipt of the SF-50, Notification of Personnel Action form from the Human Resources Office.

c. **Time-Off Awards** are granted to employees for contributions to a product; activity, program, or service to the public. The Time-Off Awards scale is provided in Appendix 5G. Time-Off Awards may be granted in installments of up to 40 hours. Full-time employees may earn no more than 80 hours in a leave year. A part-time employee may be granted no more than the average number of hours worked during a biweekly pay period in a leave year as a Time-Off Award. For example, an employee with a part-time tour of 32 hours a week may accrue no more than 64 hours in a leave year, with a single award maximum of 32 hours.

(1) **Nomination Procedures.** Time-Off award recommendations must be reviewed and approved by an agency official at a higher level than the supervisor recommending the award, except that a supervisor may grant a Time-Off award without further review for periods not to exceed one work day. This will allow for timely recognition of an employee's contribution of moderate scope. A Time-Off award must be recommended and justified in writing. A copy of the written justification, (Appendix 5H), should be retained by the approving official and the original document sent to the Human Resources Office, Code N 111, for processing. Appendix 5H is used in lieu of a Request for Personnel Action, SF-52.

(2) **Scheduling and Use of Time-Off Awards.** Time Off awards must be used within one year of the effective date. Time Off not taken during the one year period will be forfeited and may not be restored. Time Off awards do not convert to cash under any circumstances. To use the Time Off Award, employees will submit a SF-7 1, Application of Leave, to their immediate supervisor. The supervisor will approve or disapprove the request. When physical incapacitation for duty occurs during the Time Off period, sick leave may be granted for the period of incapacitation.

d. **Honorary Navy Awards.** Honorary awards may or may not involve monetary recognition. Certificates/letters of appreciation/commendation, the Navy Award of Merit for Group Achievement, and Navy Meritorious Civilian Service Awards may be approved locally. Nominations for these awards may be submitted at any time. The Human Resources Office will provide information on honorary awards sponsored by higher authorities or private organizations as announcements are received. Some of the most common honorary awards are listed below:

(1) **Navy Distinguished Civilian Service Award.** This is the highest honorary award which the Secretary of the Navy may confer upon a civilian employee of the Navy. It is given very selectively to employees who have distinguished themselves by extraordinary service or contributions of major significance to the Navy. The achievement or service must be truly exceptional even among

outstanding accomplishments and when measured against the job responsibility of the individual being recommended for the award. Copies of this award should be provided to the Awards Program Administrator, Human Resources Office. This award is approved by the Secretary of the Navy.

(2) Navy Superior Civilian Service Award. This award is approved at the headquarters command level for individual employees to recognize superior civilian service or a contribution which has resulted in exceptional values and/or benefits to the Department of the Navy. This is the second highest honorary award for civilian employees within the Navy. The award recognizes employee contributions which, though exceptionally high in value, are not of sufficient significance to warrant consideration for the Navy Distinguished Civilian Service Award. Nominations are made by the activity level and forwarded to the headquarters command. Copies of award nominations should be forwarded to the Awards Program Administrator, Human Resources Office.

(3) Navy Meritorious Civilian Service Award. This award is granted by activity heads to individual employees to recognize meritorious civilian service or a contribution which has resulted in high values and/or benefits to the Department of the Navy. This is the third highest honorary award under the Navy Civilian Incentive Awards Program. To provide monetary recognition with this award, use the award format provided at Appendix 5F. Copies of Meritorious Civilian Service Awards nominations should be provided to the Awards Program Administrator, Human Resources Office.

e. **Local Honorary Awards.** Local honorary awards such as letters of commendation or appreciation, Employee of the Quarter program, certificates, or emblems may be given at the activity's discretion.

f. **Career Service Awards.** Federal career service recognition awards are granted to Navy civilian employees to recognize 10, 15, 20, 25, 30, 35, 40 and 50 years of federal service. This service may include honorable military service and civilian service with any agency of the Government. Lapel emblems are presented for 10 through 50 years of service. Lapel emblems for 40 years and above will be accompanied by a certificate signed by the Secretary of the Navy.

g. **Non-Navy Awards.** There are a number of non-Navy awards for which Department of the Navy employees may be nominated in competition. These include cash and/or honorary awards granted by other Government departments and agencies, and those granted by private organizations or institutions for outstanding service and achievements by Government employees. These awards include:

(1) Department of Defense Distinguished Civilian Service Awards;

(2) Arthur S. Flemming Award;

(3) National Civil Service League Career Service Awards;

(4) William A. Jump Memorial Award;

Roger W. Jones Award for Executive Leadership;

(6) Donald L. Scantlebury Memorial Award; and

(7) GEICO Awards for Public Service.

4. RESPONSIBILITIES

a. Activity Head Designee:

- (1) Ensure that adequate funding is available to pay incentive awards.
- (2) Review and approve suggestion awards, On-the-Spot Awards, Special Act Awards, and various honorary awards.

b. Department/Staff Code Heads:

- (1) Endorse and forward award recommendations to the Activity Head Designee within 60 calendar days following the period of recognition or implementation of a suggestion.
- (2) Designate an Awards Coordinator to serve as the department liaison on all incentive awards matters.

c. Department Awards Coordinator:

- (1) Arrange for presentation of department awards consistent with activity/department policy including preparation of certificates, letters of commendation and appreciation, and biographical histories, scheduling presentation, and publicity.
- (2) Act as liaison between the department and the Awards Program Administrator concerning awards processing.

d. Supervisors:

- (1) Encourage employees to participate in the suggestion program.
- (2) Recommend employees for On-the-Spot Awards, Special Act Awards, suggestion awards, and other various honorary awards.

PART H - BENEFICIAL SUGGESTIONS

1. A BENEFICIAL SUGGESTION is a contribution which offers a constructive proposal that contributes directly to increased economy, efficiency or effectiveness of government operations. A proposal need not be an original idea and may result from the suggester's previous work experience, research or education. Ideas that deal with employee services, benefits, working conditions, housekeeping, routine safety practices or maintenance of buildings and grounds normally are not eligible for consideration as suggestions.

- a. All employees paid from appropriated and non-appropriated funds, including military personnel, are eligible to participate in this program.
- b. Ideas resulting from a quality circle or similar employee involvement group will not normally be eligible for suggestion award recognition.
- c. Suggestions which are adopted will be considered for monetary award recognition based on the resulting tangible and/or intangible benefits.

d. A suggestion is considered adopted and eligible for award consideration when it is actually put into effect by managers. The adoption action may be taken by the originating activity, another activity, or another Government department or agency. A suggestion need not be adopted in the form in which originally submitted in order to be eligible for award consideration. If the suggestion is instrumental in motivating a management action, an award should be made based on the value of the contribution.

e. To be eligible for an award, a suggestion must be adopted within three years after its receipt by the Suggestion Program Administrator, unless the adoption is delayed beyond the three year period because of actions such as trial test, experimentation, or investigation outside of the originating activity needed to determine the value of the suggestion. The determination must be made as to whether the suggestion will or will not be adopted. If, after an investigation, a suggestion is not adopted and then later, after expiration of the three year period, the idea is placed into operation, the suggestion is not eligible for an award. When a suggestion is not adopted, the suggester maintains the right to the suggestion within the local activity for the remainder of the three year period. If, during that period, management decides to implement the idea, the suggester is entitled to adoption credit and award consideration.

2. INVENTION AWARDS. An employee's invention qualifies for award consideration if it: (1) contributes to the efficiency, economy or other improvement in Government operations; or (2) is in the public interest and is associated with the employee's official employment. An initial award will be granted in cases where the reported invention has been favorably evaluated by a federal agency as having a value to its mission. An additional award is appropriate if a patent is issued and the Government either owns the invention or has a license. Further awards may be granted when the invention benefits the public, as evidenced by the number of patent licenses granted, or whenever it provides benefit to the Government.

3. BENEFICIAL SUGGESTIONS PROCESSING PROCEDURES

a. Employees, or supervisors on behalf of their employees, will submit a suggestion form available from the Suggestion Program Administrator for processing.

b. The Suggestion Program Administrator will review the suggestion for completeness, eliminating those which duplicate other suggestions and forward the suggestion to designated reviewers with relevant technical expertise to provide an in-depth evaluation of the suggestion. If the reviewer recommends adoption, a cost analysis of potential savings will be completed and the award amount will be computed by using the tangible/intangible scales. Employees submitting suggestions are eligible for non-monetary awards. If the reviewer determines that the suggestion should be adopted locally, the reviewer will prepare a justification validating the practical application and benefits of the suggestion and verifying Government savings. The Administrator, with the concurrence of the activity head or activity designee, may provide an initial monetary payment to the suggester. When the designated reviewer conducts a thorough and expeditious review, including possible improvements to a complex suggestion, and/or develops additional distinct ideas, the reviewer will be considered for an On-the-Spot Award or for an appropriate recognition under the annual Performance Awards process.

c. If an idea may have a positive or negative impact on other offices outside the activity, the Suggestion Program Administrator will ensure that those offices are given the opportunity to evaluate and comment on the suggestion. Similarly, if other agencies could benefit from the suggestion, the Suggestion Program Administrator will contact the command headquarters Suggestion Program Administrator for assistance.

d. Once a suggestion has been approved for implementation, the Suggestion Program Administrator will find out the estimated start-up and completion dates of the project. A final determination of the actual impact of the suggestion must be completed within three months of the implementation. After that is done, a final check, if applicable, will be issued to the suggester. Should the implementing officials do an exceptionally prompt or good job of implementing and/or improving on the suggestion, they may be considered for an On-the-Spot Award or for an annual Performance Award.

HUMAN RESOURCES MANUAL

17 Mar 1995

APPENDIX 5E - DELEGATED APPROVING AUTHORITY FOR INCENTIVE AWARDS

Activity

SUBASE, Bangor

TRIREFFAC, Bangor

SV%TFPAC

EFA Northwest (&ROICCs)

NAVHOSP, Bremerton

PSA Puget Sound and DETS

TRITRAFAC, Bangor

NAVCOMTELSTA, Puget Sound and DETS

NETPSMA, Bangor

All Activities serviced by NSC HRO (except ILO, Puget Sound)

NAVSTA, Everett

NAVBASE

NLSO (Seattle, Bremerton, Whidbey)

CMAT, Seattle

Branch MedClinic, Everett

REDCOM, Region 22, Seattle

NROTC Seattle

ADMIN UNIT, Idaho Falls

NAS Whidbey:
Time and On-the-Spot

Activities serviced by Whidbey HRO
(except NAS Whidbey):

Department Heads and
Special Assistants:

Department Personnel

Approval Authority

Executive Officer and Department Heads

Executive Officer

Executive Officer and Department Heads

Department Head

Executive Officer

Executive Officer

Commanding Officer

Commanding Officer

Executive Officer

Department Directors

Executive Director

Chief of Staffs

Commanding Officer

Director

Officer in Charge

Commanding Officer

CNET

Officer in Charge

Executive Officer and Department Heads

Commanding
Officer

Executive Officer

5-35

APPENDIX 5F

RECOMMENDATION FOR SPECIAL ACT OR SERVICE AWARD

TO: Incentive Awards Office (**SUBASE Bangor Code N111**)

17 Mar 1995

I recommend that award consideration be given for the achievement herein described which was performed by the employee, or group of employees named below.

RECOMMENDED BY

TITLE, ACTIVITY, AND PHONE NO.

APPROVING OFFICIAL'S SIGNATURE		D E
EMPLOYEE(S) (Name: Last, First, Middle Initial)	POSITION (Shop, Dept., or Div.)	GRADE

(Attach a list for additional employees if recommending a Group Award (Special Act or Service Award only.)

1. BASIS FOR AWARD RECOMMENDATION

Individual
SPECIAL ACT
OR SERVICE (SA)

Group
SPECIAL ACT
OR SERVICE (SA)

AWARD AMOUNT

**DATE(S)
ACHIEVEMENT**

OF

2. DESCRIPTION OF ACHIEVEMENT (A brief but complete description of the achievement/contribution.)

5-37

(Attach a list for additional employees if recommending a Group Award (Special Act or Service Award only.)

17 Mar 1995 3. SPECIAL ACT/SERVICE (SA) AWARDS:

Special Act/Service (SA) award is a one-lump sum payment used to recognize an employee or group of employees (both Federal Wage System and General Schedule) for contributions connected with or related to official government. Examples include performance which has involved overcoming unusual difficulties; creative effort that make important contributions to science or research; performance of assigned duties with special effort or special innovation that results in significant increases in productivity, economy, or other highly desirable benefits; and exemplary or courageous handling of an emergency situation related to official employment. The amount of the award will be determined using Department of Navy's Tangible Awards Scale and/or Intangible Awards Scale. A group award will be distributed equally to all members unless the contribution made by members of the group varies. In this case, the recommending official should specify what member(s) of the group are to receive a large percentage. Depending upon the value of the contribution, Commanding Officers may authorize a maximum of \$5,000. Awards exceeding \$5,000 must be submitted to a higher authority for approval. SA awards may be initiated at anytime but not usually more than 60 days after the contribution. There is no minimum length of time or restrictions on job movement in order for an employee(s) to be eligible for this type of award.

4. ESTIMATE OF BENEFITS

SA Awards are to be based on the tangible and/or intangible benefits attributable to the employee's contribution. If, as a result of the employee's efforts, tangible savings are realized, part 213 should be completed. If the benefits are strictly intangible, complete part 2A. Where the contribution results in both tangible and intangible benefits, an award shall be based upon a combined total derived for the use of both parts.

A. INTANGIBLE BENEFITS: Contributions, recognized by case awards based on intangible benefits, must be comparable in value to the Government as those based on tangible benefits.

EXTENT OF APPLICATION

el

or
t

VALUE OF BENEFIT	LIMITED Affects functions, missions, or personnel of one shop or office of the activity	EXTENDED Affects functions, missions, or personnel of the entire activity or other activities in the local area.	BROAD Affects functions, missions, or personnel of an entire regional area or major activity. May be applicable to all or an independent agency.	GENERAL Affects functions, missions, or personnel of several regional areas or commands, or an entire department or large independent agency is in the public interest throughout the Nation or beyond.
Moderate Value. Change or modification of an operating principle or procedure which has moderate value sufficient to meet the minimum standard for a cash award; an improvement of rather limited value of a product, activity, program, or service to the public.	\$25-\$100	F \$100-\$250	F1 \$250-\$500	\$500-\$1000
Substantial Value. Substantial change or modification of an operating principle or procedure, an important improvement to the value of a product, activity, program, or service to the public.	\$100-\$250	F1 \$250-\$500	\$500-\$1000	F \$1000-\$2500
High Value. Complete revision of a basic principle or procedure; a highly significant improvement to the value of a product, activity, program, or service to the public.	\$250-\$500	F \$500-\$1000	\$1000-\$2500	\$2500-\$5000
Exceptional Value. Initiation of a new principle or procedure, a superior improvement to the quality of a critical product, activity, program, or service to the public.	\$500-\$1000	H \$1000-\$2500	\$2500-\$5000	\$5000-\$10,000

B. TANGIBLE BENEFITS: In determining savings, only savings involving labor, materials, or costs of service are included. The accelerated labor rate will be used when computing savings involving labor. Contact your Comptroller for instructions on accelerating the labor rate.

	LABOR			MATERIAL			TOTAL
ITEM	MAN-HRS PER	DOLLARS PER	TOTAL	UNITS PER	COST PER UNIT	TOTAL	(Labor and Materials)

FORMER METHOD		\$	\$		\$	\$	\$
NEW METHOD							
SAVINGS							

TANGIBLE AWARDS SCALE

ESTIMATED FIRST YEAR BENEFITS	AMOUNT OF AWARD
Up to \$10,000	10% of Benefits
\$10,001 - \$100,000	\$1,000 for first \$10,000 plus 3% of benefits over \$10,000
\$100,000 or more	\$3,700 for first \$100,000 plus 0.5% of benefits over
\$100,000	5-38

APPENDIX 5G
TIME-OFF AWARDS SCALE FOR A SINGLE CONTRIBUTION

VALUE TO ORGANIZATION	NUMBER OF HOURS
Moderate: (1) A contribution to a product, activity, program, or service to the public, which is of sufficient value to merit formal recognition. (2) Beneficial change or modification of operating principles or procedures.	I to 10
Substantial: (1) A important contribution to the value of a product, activity, program, or service to the public. (2) Significant change or modification of operating principles or procedures.	11 to 20
High: (1) A highly significant contribution to the value of a product, activity, program, or service to the public. (2) Complete revision of operating principles or procedures, with considerable impact.	21 to 30
Exceptional: (1) A superior contribution to the quality of a critical product, activity, program, or service to the public. (2) Initiation of a new principle or major procedure, with significant impact.	31 to 40

APPENDIX 5H
TIME-OFF AWARDS PROGRAM

Name of Awardee: <i>(Last, First, Middle Initial)</i>	Social Security Number:	Date(s) of Achievement:
Nature of Action Code/ Legal Authority Code; 872 / V3E	Number of Time Off Hours Granted:	
Recommended by: <i>(Name, Title)</i>		Date: <i>(MMIDDIYY)</i>
Approved by: <i>(Name, Title)</i>		Date: <i>(MMIDDIYY)</i>
Time-Off Award must be used by: <i>(Not later than 1 year after date of approval)</i>		
Reason for Award:		

INJURY COMPENSATION PROGRAM

NOTE: This section should be read in conjunction with any negotiated agreement between your activity and an exclusively recognized labor organization. Union contract language will generally take precedence over conflicting provisions in this manual. Areas of uncertainty should be discussed with the Labor/Employee Relations Specialist.

1. GENERAL INFORMATION. The Federal Employees' Compensation Act (FECA) provides compensation for wage loss and medical expenses for employees who suffer work-related injuries or illnesses (e.g. back injuries, hearing loss, strained muscles). Federal workers have no other administrative means to recover damages from the government for the effects of an injury except through the FECA. The FECA is administered by the Office of Workers' Compensation Programs (OWCP), U.S. Department of Labor. The OWCP adjudicates all claims, pays wage loss compensation benefits directly to employees, and pays medical bills to the providers. These costs are then billed to activity heads via Navy headquarters commands each year. Activity heads can control these costs by reducing the number of workplace accidents through enhanced safety awareness and by returning injured employees to work.

2. DEFINITIONS

Compensation: The money paid to employees or their dependents for lost wages due to occupational injury, illness or death.

Continuation of Pay (COP): A period of 45 calendar days during which an employee who sustains a disabling, job-related traumatic injury is entitled to the continuation of their regular pay.

Controversion: Axi action by the employer to dispute an employee's claim for Continuation of Pay or compensation benefits.

Dependent: The spouse, unmarried children (including step-children and adopted children) under 18 years of age, or a dependent parent. Unmarried children under 23 years of age who are full-time students may also qualify if they have not completed 4 years of schooling beyond the high school level.

Occupational Illness or Disease: A condition produced by systemic infections; continued or repeated stress or strain; exposure to toxins, poisons, fumes, etc., or other repeated exposure to conditions of the work environment (e.g. hearing loss).

Private Medical Doctors: Surgeons, podiatrists, dentists, clinical psychologists, optometrists, chiropractors, and osteopathic practitioners within the scope of the practice as defined by state law. However, chiropractic services are limited to treatment consisting of manual manipulation of the spine to correct a subluxation (incomplete or partial dislocation) as demonstrated by x-ray to exist.

Recurrence: The spontaneous return or increase of disability due to a previous injury or occupational disease without intervening cause, or a return or increase of disability due to a consequential injury.

Traumatic Injury: A wound or other condition of the body caused by external force, including stress or strain. The injury must be identifiable as to time and place of occurrence and member or function of the body affected and be caused by a specific event or incident or series of events or incidents **within a single day or work shift**.

3. RETURN-TO-WORK PROGRAM. It is the Navy's policy to control occupational injury costs by employing injured workers. Partially disabled employees are required to return to work on light duty, when possible. Although it is the responsibility of the physician to determine an employee's physical limitation and to advise management with regard to the types of duties an employee can perform, supervisors are responsible for determining whether an employee can be offered light duty. All possible efforts must be made to accommodate injured workers in a position or job assignment compatible with medical restrictions. If no light duty is available within the work unit, another suitable assignment may be sought within or outside the activity in the same commuting area. If no light duty assignment is available, the supervisors are to contact the department head before sending the employee home. The department head will notify the Injury Compensation Program Administrator, Human Resources Office when an employee is denied light duty. If medical restrictions are not due to a job-related incident, the employee may be placed on leave or leave without pay, if requested.

4. BENEFITS. Benefits available to employees who sustain work-related injury or disease are as follows:

- a. Choice of treating physician-federal medical facility or private physician.
- b. Compensation based on loss of wages (subject to a three-day waiting period if absence due to injury is less than 14 days) after expiration of Continuation of Pay (COP), or from the beginning of pay loss for occupational disease claims, if incapacitated for duty. The amount of compensation payable is based on whether the injured worker has any dependents.
- c. Medical expenses and other benefits provided under the FECA.
- d. Continuation of regular pay up to 45 calendar days for wage loss due to disability and/or medical treatment following traumatic injury. This provision does not apply to disease claims unless it is due to exposure during one day or workshift. To be eligible for Continuation of Pay (COP), the CA- 1 form must be filed with the Office of Workers' Compensation Programs (OWCP) within 30 days of the date of the injury via the Human Resources Office.
- e. **Buy-back of Leave.** An employee who decides to use sick and/or annual leave for injury-related absences may arrange to buy back the used leave and to have it reinstated to their leave account. The costs associated with buying back leave are partially paid by the amount of compensation to which the employee is entitled. The balance of the cost of buying back leave is paid by the employee. The amount the employee is required to pay depends on factors such as the length of the period of disability and the amount of federal income tax withheld from the employee's leave pay. Employees who want to buy leave back must complete a CA-7/CA-20 form and forward it to the Injury Compensation Program Administrator via the supervisor.

5. FORMS. There are many forms used in the injury compensation process. Each serves a different purpose, explained below:

a. **CA-1, Notification of Traumatic Injury** should be issued by the supervisor at the time an employee reports a traumatic injury (see definitions, above). Forms can be obtained from the Safety Office or the Injury Compensation Program Administrator located in the Human Resources Office.

b. **CA-2, Federal Employee's Notice of Occupational Disease and Claim for Compensation** is necessary for employees filing an occupational disease or illness claim (e.g. hearing loss, carpal tunnel syndrome).

c. **CA-7, Claim for Compensation** on Account of Traumatic Injury or Occupational Disease (a two-part form with CA-20, attending physician's report).

d. **CA-17, Duty Status Report** is used by the supervisor to tell the treating physician what the actual physical requirements of the employee's job are. The physician can then advise the supervisor whether or not the employee can return to full duty or partial duty with specified work restrictions. This information allows the supervisor to locate suitable work within the appropriate restrictions.

e. **CA-20, Attending Physician's Report** asks the physician for their medical opinion, diagnosis and prognosis (two-part form with CA-7).

f. **Dispensary Permit, OPNAV 5100 series**, must accompany an employee for all visits to the emergency room or branch clinic medical facilities. However, in emergencies, do not wait for the form. Send the injured employee for immediate treatment.

6. RESPONSIBILITIES

a. **Activity heads** must reduce compensation and Continuation of Pay costs by returning injured employees to duty as soon as possible. An active Return-to-Work Program which finds light duty work and/or accommodation of physical and mental handicapping conditions resulting from workplace injuries is an effective means of achieving this reduction.

b. **Supervisors** must ensure employees reporting non-traumatic occupational disease/illness conditions contact the Injury Compensation Program Administrator for filing instructions. When dealing with traumatic injuries, supervisors must:

(1) Get immediate medical attention for injured employee. In emergencies, call for ambulance services (private or Navy ambulance). Also, notify the activity security or police department to expedite travel to the appropriate place.

(2) Complete the Dispensary Permit form and send the injured employee to a federal medical facility (e.g. branch clinic or Naval Hospital emergency room) or to a private physician, if requested by the employee, for initial medical review. Following this initial review, the employee may choose treatment by a private physician or hospital, or treatment by the federal medical facility.

(3) Give the employee form CA- I to be completed within two working days from the date of injury. If the employee is unable, the supervisor or a witness should fill out CA-1 for reporting purposes. Inform the employee of their right to elect Continuation of Pay or use leave for absences resulting from the injury. Upon return of the CA-1, complete and return the receipt portion to the employee. Complete the reverse side of the form and forward the original to the Injury Compensation Program Administrator via the Safety Office.

(4) Report potential safety hazards or conditions to the Safety Office.

(5) Inform employees of their obligation to report all work-related injuries, their entitlements, and procedures to follow when injured at work (see employee responsibilities below).

(6) Investigate all claims of injury or disease and controvert (oppose) any unsupportable Continuation of Pay claim. Contact the Injury Compensation Program Administrator, Human Resources Office for advice on controverting claims.

(7) Require employees to submit periodic (at least bi-weekly) CA-17, Duty Status Report, unless their treating physician has clearly specified a period of complete incapacitation.

(8) Require injured employees to be examined by an activity designated physician to determine whether continued absence is warranted. See Medical Examinations of Civilian Employees, Chapter 1, for further instructions.

(9) If COP is exhausted, and the employee is unable to return to duty, the employee must elect sick/annual leave or leave without pay to cover the absences. If the employee wishes to be carried on LWOP and draw compensation, they must follow the leave procedures (see Absence and Leave, Chapter 2). Also, the employee must complete form CA-7/CA-20 form and forward it to the supervisor. Supervisors then must complete Part B of CA-7/CA-20 form and forward it to the Injury Compensation Program Administrator.

(10) Notify the Injury Compensation Program Administrator when the employee returns to work. The Program Administrator is required to notify the Office of Workers' Compensation Programs of the employee's return to duty.

c. Employees must report any occupational disease/illness to their supervisor. The Injury Compensation Program Administrator will then provide employees with filing instructions. **Employees reporting traumatic injuries must:**

(1) Report the injury to their supervisor immediately.

(2) In non-emergencies, report to the federal medical facility or to a private physician for initial treatment/assessment. Following initial review, employees may elect to be treated by a private physician, or elect treatment by a federal medical facility. However, once this choice is made, employees must obtain written approval from the OWCP before a change in physicians may be made, in order for bills to be paid by the Department of Labor.

(3) Complete form CA-1 and return it to their immediate supervisor within two working days following the injury.

(4) Follow leave request procedures (see Absence and Leave, Chapter 2) for notifying supervisors of any absences due to the injury.

(5) Report for all scheduled doctor's visits. Make the treating physician aware that limited duty is available at the activity and unless totally disabled (e.g. bedridden), to return to work with any clearly defined medical limitations. Absences for doctor's appointments are limited to the minimum amount of time necessary for the examination. Absences for a full eight-hour workshift will generally not be authorized.

(6) Notify the supervisor of their status following each medical appointment. Return to work as soon as released by their treating physician to perform limited or full duty on a part-time or full-time basis. If unable to return to work, notify the Injury Compensation Program Administrator in the Human Resources Office and their supervisor.

(7) If the treating physician indicates that the disability will exceed the 45 calendar days Continuation of Pay time, notify the supervisor and the Injury Compensation Program Administrator immediately. Elect to use either sick or annual leave to cover any absences beyond the 45-day period or elect leave without pay (LWOP) and apply for wage loss compensation from OWCP (see Absence and Leave, chapter 2 for procedures for requesting LWOP). If LWOP is elected, obtain and complete Part A of Form CA-7/CA-20 and submit the completed form to the immediate supervisor **before the COP expiration** to avoid compensation payment delays.

d. The Injury Compensation Program Administrator shall:

- (1) Provide assistance to employees and their immediate supervisor in all work-related injury or disease claims.
- (2) Provide supervisory training and publicize the Injury Compensation Program and Return-to-Work Programs.
- (3) Refer cases of suspected fraud and/or abuse to the Naval Investigative Service via the activity head.
- (4) Facilitate communication between the employer and the OWCP.

EMPLOYEE INSURANCE AND RETIREMENT BENEFITS

1. BACKGROUND. General benefits for federal employees are briefly discussed here. Employees should contact the Benefits Specialist, Human Resources Office for more information.

2. RETIREMENT. There are two federal retirement plans in effect- -the Civil Service Retirement System (CSRS) and the Federal Employees' Retirement System (FERS).

a. **Federal Employees' Retirement System (FERS).** Generally, employees first hired by the federal government on or after 1 January 1984 are covered under the FERS. This retirement plan is a three-tiered plan consisting of a basic benefit plan, Social Security, and an investment plan known as the Thrift Savings Plan. The employee makes contributions each pay period to the basic benefit and Social Security parts of this system. Each employee covered under the FERS will have a Thrift Savings Plan account established with an amount equal to one percent of the employee's basic salary automatically deposited into this account. Employees may contribute their own money, not to exceed ten percent of their salary, into the account and be eligible for additional contributions.

(1) Basic Benefit Plan Eligibility Requirements. To receive retirement benefits, the employee must have at least five years of creditable civilian service. Survivor and disability benefits are available after 18 months of service. Unused sick leave is not converted into creditable service for any purpose under the FERS. Additionally, credit is not allowed for civilian service after 1988 when no contributions were withheld (e.g. temporary service). Deposits can be made to receive credit for military service, and for temporary time prior to 1 January 1989. The amount the employee receives in an annuity depends on two things: the employee's salary and length of service. The annuity formula used to determine retirement benefits is computed based on the employee's three highest consecutive years of pay ("high-three" average salary), and the number of years and months of federal service. The following chart shows minimum eligibility requirements an employee must meet to receive a basic benefit annuity under the FERS.

FERS ELIGIBILITY REQUIREMENTS FOR RETIREMENT

Type of Service	Year of Birth	Minimum Age	Minimum Service	
			Unreduced Benefits	Reduced Benefit
OPTIONAL & DEFERRED	N/A	62	5	N/A
	N/A	20	N/A	
	Before 1948	55	30	10
	1948	55+2mo	10	
	1949	55+4mo	10	
	1950	55+6mo	10	
	1951	55+8mo	10	
	1952	55+10mo	10	
	1953-1964	56	30	10

FERS ELIGIBILITY REQUIREMENTS FOR RETIREMENT (Con't)

Type of Retirement	Year of Birth	Minimum Age	Minimum Service Unreduced Benefits	Minimum Service Reduced Benefit
OPTIONAL & DEFERRED (Cont'd)	1965	56+2mo	30	10
	1966	56+4mo	30	10
	1967	56+6mo	30	10
	1968	56+8mo	30	10
	1969	56+10mo	-30	10
	1970 & After	57	30	10
DISCONTINUED SERVICE	N/A	50	20	N/A
	N/A	Any	25	N/A

Reduction is 5% for each year the employee is under age 62

(2) Social Security. Benefit payments are provided to employees and their dependents who qualify as beneficiaries under the Old Age Survivors and Disability Insurance (OASDI) programs of the Social Security Act. Employees may be eligible for a special retirement supplement which approximates the Social Security benefit paid between retirement from federal service and eligibility for Social Security at age 62.

(3) The Thrift Savings Plan (TSP) is a tax-deferred savings plan available to federal employees. The TSP is comparable to similar plans offered by many private employers. The size of the benefit at retirement depends on how much the employee and the government contribute to the account as well as earnings on those contributions, and the method chosen to withdraw the account balance. Employees may invest in three funds: the 'G'fund (short term, non-marketable U.S. Treasury bonds), the 'C'fund (a stock index fund), and the 'F'fund (a bond index fund). There are two open season periods each year, May 15th through July 31st; and November 15th through January 31st. During open season, employees may enroll, increase their contributions, or diversify their funds. **Employees may not withdraw TSP account balances unless they leave government service. However, employees may borrow against their account.**

(4) Applying for Retirement. Employees should schedule an appointment with the Benefits Specialist, Human Resources Office for counseling on retirement program entitlements and to obtain the applicable application forms. Employees shall complete the application form(s) and an SF-52, Request for Personnel Action form to initiate the retirement action.

b. Civil Service Retirement System (CSRS) Basic Eligibility Requirements. Generally, employees first hired by the government before 1 January 1984 are covered by the CSRS, unless the employee elected to transfer to the Federal Employees' Retirement System during the open season period offered in 1987 and 1988. The CSRS is a single tier, defined benefit plan. In general, these employees do not contribute to Social Security. Employees may contribute up to five percent of their base pay to the Thrift Savings Plan, but are not eligible for government contributions. To be eligible for retirement benefits, an employee must have at least five years civilian service. In addition, except for disability retirement, the employee must have been covered under the CSRS System for at least one year out of the two-year period immediately preceding retirement. Unused sick leave is added to the employee's length of service for annuity computation purposes provided the employee separates on an immediate annuity. As with the Federal Employees' Retirement System the amount an employee receives for an annuity is based on the average of the employee's highest three years of salary and the employee's length of federal service. Minimum age and service requirements for retirement are provided below:

CSRS ELIGIBILITY REQUIREMENTS FOR RETIREMENT

Type of Retirement	Minimum Age	Minimum Service	Special Requirements
OPTIONAL	62	5	NONE
	60	20	NONE
	55	30	NONE
	50	20	Employee must retire under the special provisions for law enforcement officers and fire fighters.
	'Any age	25	The activity must be undergoing a major reduction-in-force, transfer of function, or reorganization as determined by the Office of Personnel Management.
DISCONTINUED SERVICE	50	20	Employee's separation must be involuntary and not for misconduct or delinquency.
	Any age	25	Employee must be totally disabled for service in the position they occupy.
DISABILITY	50	20	
	'Apy age	5	

Annuity is reduced if under age 55.

(1) The Thrift Savings Plan (TSP). The Civil Service Retirement System (CSRS) employees may also participate in the tax-deferred savings plan available to Federal Employees' Retirement System (FERS) employees. As with employees covered under the FERS, The CSRS employees may contribute a portion of their base salary to an established fund account. The CSRS employees may contribute no more than five percent of base salary to the plan. In addition, they are not eligible to receive government contributions. However, the CSRS employees may diversify their payroll contributions and account balances between funds during the open season periods. They may also apply for loans on their account balances.

(2) Applying for Retirement. Employees should schedule an appointment with the Benefits Specialist, Human Resources Office for counseling on retirement program entitlements and to obtain necessary application forms. Employees need to complete the application form and SF-52, Request for Personnel Action to initiate the retirement action.

3. LIFE INSURANCE. Generally, all permanent civilian employees are eligible for coverage in the Federal Employees' Group Life Insurance program. A basic life insurance plan and three optional insurance plans are available for employees. To enroll or change enrollment, employees complete a SF-2817, Life Insurance Election Form and forward it to the Benefits Specialist, Human Resources Office.

a. **Basic Life Insurance.** The cost of the basic life insurance premium is shared by the employee and the government. Employees are automatically covered and premiums withheld for the basic life insurance plan beginning on the first day the employee is in a pay and duty status. The basic life insurance policy provides employees with life insurance coverage and accidental death and dismemberment coverage. The amount of basic life insurance available to each eligible employee is graduated according to the employee's age. Employees under age 36 are eligible for basic insurance coverage in an amount equal to their annual salary rounded to the next higher thousand dollars plus \$2,000, multiplied by two. Beginning at age 36, the multiplication factor for the amount of basic insurance declines by 0.1 each year, until it reaches 1.0 at age 45.

Accidental death benefits are equal to the amount of basic insurance without any increase by the age multiplication factor. Accidental death and dismemberment coverage stops at retirement. The amount of life insurance decreases at age 65 or at retirement, whichever is later, at a rate of two percent a month until 25% of the amount is reached.

b. **Optional Insurances.** An employee must be enrolled in the basic life insurance policy to elect optional insurances. Employees pay the entire cost of optional insurance premiums. Optional life insurance premiums decrease at age 65 or at retirement, whichever is later.

(1) Standard Optional Life Insurance policy is an additional \$10,000 of coverage. This optional insurance carries with it an equal amount of accidental death and dismemberment protection for covered employees. Optional life insurance premiums decrease at age 65 or at retirement, whichever is later.

(2) Additional Optional Insurance is an amount equal to one, two, three, four, or five times an employee's annual basic pay rounded up to the next \$1,000. Accidental death and dismemberment coverage is not included in this coverage.

(3) Family Insurance provides life insurance coverage in the amount of \$5,000 for the spouse, and \$2,500 coverage for each dependent child under age 22. Accidental death and dismemberment coverage is not included in this coverage.

4. DESIGNATION OF BENEFICIARY. Retirement (including Thrift Savings Plan contributions), life insurance and unpaid compensation benefits are payable in the event of an employee's death in the order specified below:

- a. To the widow or widower.
- b. If neither of the above, to the child or children in equal shares, with the share of any deceased child distributed among the descendants of that child.
- c. If none of the above, to the parents in equal shares or the entire amount to the surviving parent.
- d. Next of kin.
- e. The executor/administrator of the estate.

With regard to retirement benefits for survivors, the Office of Personnel Management will honor any divorce court orders issued after May 7, 1985 which provide benefits to a former spouse.

Employees must complete designation of beneficiary forms if the employee desires benefits be paid in a different order than stated above. Beneficiaries specified in an employee's personnel record take precedence over those specified in a last will and testament. Beneficiary forms may be obtained by contacting the Human Resources Office.

5. HEALTH INSURANCE. The Federal Employees Health Benefits Program is a voluntary program open to permanent full-time and part-time civilian employees. Temporary employees may enroll provided they have completed at least a year of continuous service. Those employees who are employed on a seasonal or intermittent basis are not eligible for health benefits. There are many health plans available to employees under this program. Generally, an eligible employee may enroll in the health benefits program when first hired into federal service or during the annual health benefits open season. Employees may enroll in the Federal Employees Health Benefits Program by completing a SF-2809, Health Benefits Registration form and forwarding it to the Benefits Specialist, Human Resources Office.

CIVILIAN EMPLOYEE ASSISTANCE PROGRAM

NOTE: The Civilian Employee Assistance Program (CEAP) services are contracted for by some activities. The Human Resources Office administers the CEAP for those activities without contracted source.

1. PURPOSE. The Navy's Civilian Employee Assistance Program (CEAP) was established to provide confidential assistance to civilian employees who have personal problems (such as substance abuse, emotional problems, marital problems, financial problems, etc.) which may have an adverse effect on job performance.

2. POLICY. It is Department of the Navy's (DON) policy to recognize alcoholism and drug abuse as treatable health problems; that alcoholism and drug abuse are illnesses likely to impair job performance; that an affected employee having these illnesses will receive the same consideration and offer of assistance that is extended to employees having any other illnesses or health problems; and that employees who may have an alcohol, drug abuse, or any other personal problem are encouraged to voluntarily seek confidential counseling.

3. DEFINITIONS

Alcoholism: A chronic and progressive disease characterized by physical and/or psychological dependence on alcohol. It does not necessarily result in performance or conduct problems, especially in the early stages.

CEAP Counselor: An individual designated to conduct the initial interview with an employee, explain the provisions of the CEAP, determine the nature of the personal problem, and refer the employee to a source of assistance located within the community.

Drug Abuse: Use of a drug in a manner or to a degree which interferes with the individual's health, interpersonal relations, social behavior, economic functioning, or job performance.

Rehabilitation: A process often necessary for successful recovery from alcoholism, drug addiction or other dependencies. Rehabilitation occurs following treatment and normally does not require medical supervision. Ordinarily, rehabilitation involves individual or group counseling or participation in self-help organizations such as Alcoholics Anonymous or Overeaters Anonymous.

Treatment: The initial step in the process of recovery from alcoholism, drug abuse or other dependencies. Treatment is conducted under medical supervision and serves to alleviate the physical and psychological effects of substance abuse including withdrawal symptoms and medical conditions resulting from substance abuse. Treatment is a prelude to, and should not be confused with, rehabilitation.

4. SUPERVISORY RESPONSIBILITIES

a. Do not attempt to diagnose an employee's problem(s), but be alert to indications of such problems, e.g., changes in behavior and/or deteriorating performance.

b. Document instances of conduct/performance problems and counsel employees about such issues.

c. If the employee does not show improvement, contact the Labor/Employee Relations Specialist to discuss the appropriate action. One such action is to confront the employee with the performance/conduct deficiencies, and to offer a firm choice between cooperating in CEAP counseling or receiving appropriate administrative correction. If the situation warrants, the corrective action may be initiated concurrently with the CEAP referral.

d. If the employee declines to cooperate in the counseling or under-takes a course of treatment/assistance but fails to correct the performance or conduct problems within a reasonable time, proceed with corrective action or further corrective actions, as appropriate. Assisting an employee in denying or covering up a problem is generally most harmful in the long run. Appendix 51 provides guidelines for dealing with employees suspected of being intoxicated on the job.

5. EMPLOYEE RESPONSIBILITIES

a. Be aware of the provisions and procedures of the CEAP.

b. Cooperate with supervisors and CEAP counselors in matters relating to CEAP.

c. Correct unacceptable performance/conduct with or without assistance through the CEAP.

6. CONFIDENTIALITY

a. The content of the CEAP counseling interview, specifically including the nature of the employee's problem, shall be kept confidential.

b. Generally, no information about the counselee or the counseling interview may be given to any person unless the counselee has given written permission to do so.

c. The employee's Official Personnel Folder will not contain any documentation relating to participation in the CEAP as a counselee.

7. EXPENSE OF REHABILITATION. The employee is responsible for the cost of any treatment or rehabilitation which results from referral under the CEAP, unless CEAP is contracted.

S. ILLEGAL DRUG USE. To complement the Navy's efforts to eliminate the adverse effects of illegal drug use in the workplace, a voluntary referral procedure called "safe harbor" is established to encourage illegal drug users to seek counseling and rehabilitation without risk of disciplinary action. Any employee who voluntarily identifies themselves as a user of illegal drugs will be provided safe harbor and be exempt from disciplinary action for the admitted acts of illegal drug use, including possession incident to such use, provided the employee:

a. Voluntarily makes such disclosure to a superior official prior to being identified through other means.

b. Obtains counseling and rehabilitation through the CEAP.

c. Agrees to be tested by the activity during counseling and rehabilitation and during the post-treatment and evaluation phases.

d. Consents, in writing, to release of all records related to counseling and rehabilitation, including urinalysis test results, to appropriate management and CEAP officials.

e. Thereafter refrains from using illegal drugs.

Safe harbor does not imply that an employee will retain a security clearance. Employment may be terminated when an employee loses necessary access to secure areas or sensitive information because of drug abuse.

APPENDIX 51 - SUPERVISOR'S GUIDE FOR CASES OF SUSPECTED INTOXICATION OR DRUG ABUSE ON THE JOB

NOTE: This section should be read in conjunction with any negotiated agreement between your activity and an exclusively recognized labor organization. Union contract language will generally take precedence over conflicting provisions in this manual. Areas of uncertainty should be discussed with the Labor and Employee Relations Specialist.

1L. MEDICAL DETERMINATION

a. The supervisor may **request** authorization for a drug test for an employee if there is reasonable suspicion that the employee is using illegal drugs. Procedures for requesting this test are specified in activity Drug-Free Workplace Program instruction.

b. The supervisor may **request, but not require** an employee suspected of alcohol intoxication to submit to a breath test.

c. The supervisor may **not require** an employee to undergo a blood, urine, or breath test for the purpose of determining if the employee is under the influence of drugs or alcohol other than as stated above. However, a field sobriety test may be ordered, but the test must be administered by a physician or other trained person.

2. SUPERVISORY DETERMINATION. Frequently, the supervisor is the first to recognize alcohol or other drug intoxication. A supervisor's careful observations are often the strongest evidence in a subsequent disciplinary action case. Some, but not all of the ready and obvious means of supervisory detections are as follows:

- a. Odor of intoxicants on an employee's breath.
- b. Red or bleary eyes or unusually dilated or restricted pupils.
- c. Unsteady walk or drowsiness/nodding.,
- d. Slurred speech.
- e. Unusual giddiness or loud talking.
- f. Sudden mood shift.

3. STEPS TO FOLLOW AFTER SUPERVISORY DETERMINATION. In those situations where a supervisor finds an employee drinking intoxicants or taking drugs while on duty and/or appears to be under the influence of them, or is behaving in such a manner as to suggest employee is not "ready, willing and able to work", the supervisor should:

a. Summon another supervisor or responsible employee to witness the affected employee's behavior, physical appearance and responses to the supervisor's questions and/or instructions. If the employee is a member of a bargaining unit, consider summoning the shop steward or other union official to witness the employee's behavior.

b. In the presence of a witness, confiscate any intoxicating beverage or drugs in the employee's possession and give the employee a receipt describing the contents, if known, and quantity. If the employee is reluctant to surrender the evidence, request assistance from security police, if available.

c. If incapacitated for duty, but not in need of medical attention, the employee should be sent home. The employee shall be driven to the place of residence or released to the custody of next of kin, relative or friend, if possible. Should an intoxicated employee's conduct be such as to constitute a hazard to self or others, the security police, if available, should be requested to escort the employee off the station and to deliver to the custody of the appropriate authorities.

If possible, require the employee to report to the medical officer for non-invasive evaluation of the employee's sobriety. If a medical authority is unable to conclude that an employee is impaired, exercise judgment in deciding whether to return the employee to work, offer leave, or assign duties not hazardous to the employee, co-workers, or property. Again, be certain that the employee is capable of operating a motor vehicle safely before allowing the employee to drive away.

d. If reasonably certain that the employee is under the influence of illegal drugs, contact the Drug Program Coordinator for advice and assistance in requesting a drug screening test under the reasonable suspicion provision of the activity Drug-Free Workplace Program instructions.

e. Advise a Labor/Employee Relations Specialist of what has taken place. The specialist will guide the supervisor as to the steps needed.

f. Document and discuss the incident with the employee immediately upon their return to duty to get the employee's explanation. Advise the employee of the possible outcome, including disciplinary action, and direct the employee to meet with the CEAP Program Coordinator, as needed. Do not refer employees to the CEAP if they are intoxicated or otherwise unable to participate in a meaningful discussion and make logical decisions.